

and certain other credit unions authorized to do business here. As to the requirement that State credit unions be members of the Corporation before doing business, see § 6-601 of this article.

7-107. MEMBERSHIP — QUALIFICATIONS; TERM; TERMINATION; DUTIES.

(A) QUALIFICATIONS.

(1) A CREDIT UNION BECOMES A MEMBER OF THE CORPORATION WHEN:

(I) THE FINANCIAL AFFAIRS, SOLVENCY, AND MANAGEMENT OF A CREDIT UNION HAVE BEEN CERTIFIED BY THE BANK COMMISSIONER AS APPROVED FOR INSURANCE OF ITS SHARE AND DEPOSIT ACCOUNTS; AND

(II) THE APPLICATION OF THE CREDIT UNION IS ACCEPTED BY THE BOARD OF DIRECTORS OF THE CORPORATION.

(2) THE BOARD OF DIRECTORS OF THE CORPORATION MAY DENY THE APPLICATION OF A CREDIT UNION ONLY FOR GOOD CAUSE SHOWN.

(B) TERM OF MEMBERSHIP.

SUBJECT TO THE BYLAWS, RULES, AND REGULATIONS OF THE CORPORATION AND EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, MEMBERSHIP IN THE CORPORATION CONTINUES AS LONG AS THE CORPORATION EXISTS.

(C) TERMINATION OF MEMBERSHIP.

(1) IF THE BOARD OF DIRECTORS OF THE CORPORATION FINDS THAT UNSAFE OR UNSOUND PRACTICES OR MISMANAGEMENT OF A MEMBER THREATENS LOSS TO THE CORPORATION OR APPEARS TO AFFECT ADVERSELY THE SOLVENCY OF THE MEMBER, THE BOARD MAY:

(I) ORDER THE MEMBER TO CORRECT THE SITUATION; OR

(II) WITH THE APPROVAL OF THE BANK COMMISSIONER AND AFTER GIVING THE MEMBER NOTICE AND AN OPPORTUNITY FOR A HEARING, REVOKE THE MEMBERSHIP OF THE CREDIT UNION.

(2) A CREDIT UNION THAT IS ORGANIZED UNDER FEDERAL LAW OR THE LAWS OF ANY OTHER STATE MAY WITHDRAW FROM THE CORPORATION BY:

(I) GIVING WRITTEN NOTICE AT LEAST 1 YEAR IN ADVANCE; AND

(II) COMPLYING WITH THE BYLAWS, RULES, AND REGULATIONS OF THE CORPORATION.